

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR AN)
ORDER APPROVING CERTAIN) CASE NO. 8921
ACCOUNTING TREATMENT OF AMOUNTS)
PAID FOR COAL CONTRACT AMENDMENT)

O R D E R

IT IS ORDERED that Big Rivers Electric Corporation, ("Big Rivers") shall file an original and 12 copies of the following information with the Commission on or before November 25, 1983. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Provide a copy of all work papers used to develop the economic analysis of the proposed Amendment No. 1, including the development of the old contract price of \$37.25.

2. Provide a present value analysis which considers all relevant additional costs which may result from proposed Amendment No. 1 (e.g. increased maintenance expenses due to the lower quality fuel which will be burned), including all work papers.

3. What remedies would Big Rivers have under the contract, if any, in case Cravat Coal Company declared bankruptcy?

4. Why does Big Rivers consider the \$12,500,000 advance to Cravat Coal Company to be a fuel expense covered by the provisions of 807 KAR 5:056, Fuel Adjustment Clause?

5. Why is the high sulfur coal being mined by Deer Creek Mining Company?

6. Refer to Amendment No. 1, Subsection b of Section 1, second paragraph. What price will Big Rivers pay for medium sulfur coal substituted for high sulfur coal at the sellers option?

7. Furnish a tabulation of fuel specifications that shows the direct comparison of the fuel supplied by Cravat Coal Company under the existing contract and that which will be supplied under the proposed contract.

8. Will the properties of the fuel to be supplied under the proposed contract be likely to cause an increase in forced outages due to slag formation in the boilers or other properties of the fuel?

Will the use of the new fuel cause any changes or increase in the maintenance and/or operation of the generating plants where it is used? If so, describe these changes.

9. Will use of the fuel to be supplied under the proposed new contract require any permits, or prior or subsequent approval, by the Federal EPA or the Kentucky Department for Natural Resources and Environmental Protection ("KDNREP")?

a. If so what are they?

b. Will use of the proposed new fuel meet all EPA and KDNREP requirements.

10. Why is Big Rivers proposing to charge the cost of the \$12.5 million over the life of the coal contract and not over the life of the irrevocable letter of credit?

Done at Frankfort, Kentucky, this 14th day of November, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary